

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE PRESIDENT

Complaint on First-Class Mail
Service Standards

Docket No. C2001-3

MOTION OF THE UNITED STATES POSTAL SERVICE FOR RECONSIDERATION
OF PRESIDING OFFICER'S RULING NO. C2001-3/24
(July 3, 2002)

On June 4, 2002, the Presiding Officer issued Ruling No. C2001-3/24, seeking to resolve the dispute between Complainant and the Postal Service for data requested in interrogatory DFC/USPS-1.

That interrogatory requested average daily volume data from the Postal Service's Origin-Destination Information System (ODIS) for each originating 3-digit ZIP Code area in 11 Western states and New Jersey to each destinating 3-digit ZIP Code area nationwide. The Postal Service objected to public disclosure of the data, based upon its concerns about their commercial sensitivity, and offered to provide them subject to protective conditions. USPS Opposition to Motion to Compel Response to DFC/USPS-1 (November 14, 2001).

Presiding Officer's Ruling No. C2001-3/24 rejected the Postal Service's assertions regarding the commercial sensitivity of point-to-point First-Class Mail volume data. However, rather than direct the disclosure of such data, the Ruling directed the Postal Service to categorize the average daily volumes for the bulk of the specifically requested 3-digit ZIP Code pairs as "high, medium, or low," based upon a proposed description of each such volume range.

The Postal Service interprets the Presiding Officer's Ruling as an effort to try to accommodate both the Complainant's and the Postal Service's interests. However, with all due respect, the Postal Service considers the dismissal of its concerns about the commercial sensitivity of the requested point-to-point data to be troubling. The Postal Service will not repeat here the concerns expressed in its November 14, 2001,

Opposition.¹ And, because Ruling No. C2001-3/24 does not go so far as to require public disclosure of the data requested in DFC/USPS-1, the Postal Service does not consider it necessary, at this time, to pursue possible responses to the Ruling that might be perceived as eroding the level of comity that the Postal Service and the Postal Rate Commission generally strive to achieve.

Although it stops short of requiring public disclosure of the requested 3-digit ZIP Code area pair volume data, the solution proposed by Ruling No. C2001-3/24 does not sufficiently diminish the Postal Service's concerns. In the Postal Service's view, the potential commercial harm that could result from public disclosure of the average daily First-Class Mail volume between 3-digit ZIP Code areas is not materially diminished by disclosing, in the alternative, that a particular average daily volume (for example, 3764 pieces) falls between 1000 and 5,000 pieces. It remains the Postal Service's view that, not only are the precise 3-digit to 3-digit volume estimates sensitive, but so is knowledge that the average daily volume between a particular 3-digit Zip Code pair falls within a particular, relatively narrow range. Thus, the Postal Service considers that its concerns about disclosure of specific 3-digit ZIP Code area point-to-point volume numbers are not materially diminished by characterizing such volumes as "high, medium, or low," based upon the application of the particular numerical ranges suggested in the Ruling or on similar ranges.²

Moreover, upon initial review of Ruling No. C2001-3/24, the Postal Service was concerned that any disagreement among the Docket No. C2001-3 parties that followed any attempt to comply with the Ruling could lead to disagreement about the appropriateness of whatever "high, medium, and low" volume ranges were applied. Such disagreement could prompt a request for modification of the applied volume range

¹Or in its December 10, 2001, Opposition to the Motion To Compel A Response to DFC/USPS-9.

² At the same time, the Postal Service acknowledges that, as the data are aggregated at some stratum above the 3-digit to 3-digit level, its concerns about the commercial harm resulting from disclosure of "high, medium, and low" ranges are satisfactorily diminished.

designations and could result in a subsequent ruling redefining those ranges. If an initial disclosure applying the original ranges were to be followed by a second disclosure, based upon a refined definition of the ranges, publication of the resulting changes (a volume estimate moving from the "low" category to a redefined "medium" category or vice versa) would give a more specific indication of the range in which certain volume figures fell. Such occurrences would diminish the protection apparently intended by the establishment of the initial ranges proposed in Ruling No. C2001-3/24, and would revive the Postal Service's initial concerns.

When it became apparent to the Postal Service that the Ruling was, in fact, going to prompt a request for reconsideration by Complainant and that, therefore, both parties had independent reservations about the Ruling, the Postal Service initiated discussions with Complainant to determine whether there might be some alternative solution that would provide access to relevant information necessary to a resolution of the issues raised by the complaint in this docket, without compromising either parties' interests.

The Postal Service and the Complainant have utilized Ruling No. C2001-3/24 as a framework for discussion that has led to the development of a proposal of an alternative solution. Through this motion for reconsideration, the Postal Service hereby proposes that the Ruling be modified to direct the disclosure of the following:

for the Origin-Destination Information System average daily volumes originating in Processing and Distribution Centers (P&DCs) in the Western states cited in DFC/USPS-1, plus New Jersey, destined to all Sectional Center Facilities (SCFs);

- (1) the volumes be filed in a Postal Service Library Reference subject to protective conditions, such as those recently implemented in connection with Presiding Officer's Ruling No. R2001-1/24 (December 19, 2001);
- (2) that, for those Parent P&DC-to-ADC origin-destination pairs that incurred a service standard downgrade as a result of the completion of the implementation of the service standard changes in 2000-01, such originating data also be presented in that Library Reference in a manner rolled-up to the destinating Area Distribution Center (ADC) level, along with similar data for all Parent P&DC-to-ADC origin-destination pairs.

Upon intervenor access to such data under these protective conditions, in the spirit of Ruling No. C2001-3/24, and for publication in a subsequent Postal Service library reference without protective conditions, the Complainant and the Postal Service will expeditiously work together to determine some mutually acceptable "high, medium, and low" volume range designations to be used in characterizing the aforementioned Parent P&DC-to-ADC data.

The Postal Service wishes to advance this litigation toward its conclusion. However, the Postal Service is reluctant to do so in a manner that could raise the risk of compromise to the level of protection that it considers should be afforded to its commercial, competitive interests. Accordingly, the Postal Service considers that it is being true to the spirit of the Presiding Officer's Ruling by proposing, as an alternative, the opportunity to work with Complainant to develop mutually acceptable public designations of protected Parent P&DC-to-ADC volumes as "high, medium, and low," based upon a protected examination of the actual volumes. The Postal Service respectfully requests the Presiding Officer's endorsement of this approach.

In its November 14, 2001, Opposition to the Motion to Compel A Response To DFC/USPS-1, for the reasons explained at pages 11-12, as an alternative to the originally requested data, the Postal Service proposed the public disclosure of a list of the 3-digit ZIP Code area pairs within the scope of the interrogatory for which the destinating area received more than 0.5 percent of an originating area's outgoing volume. Instead, the Commission opted to direct disclosure of the information described in Ruling No. C2001-3/24, and the parties have fashioned an alternative proposal which they both consider to be consistent with the spirit of that Ruling.

In the absence of Ruling No. C2001-3/24 and the alternative resolution proposed herein, the Postal Service still considers the solution proposed on November 14th to be one that would have moved most directly toward resolution of a core issue in this proceeding. Both the Postal Service and Complainant agree that the provision by the Postal Service of a list of Parent P&DC-to-destination SCF pairs that were downgraded from 2-day to 3-day service and that meet the 0.5 percent threshold would assist in resolving a core issue in this proceeding.

However, both parties agree that the protection afforded to the Postal Service's commercial interests by the proposed modification to Ruling No. C2001-3/24 could be diminished, if this "0.5 percent threshold" list were made public in conjunction with the proposed "high, medium and low" designations.³ Accordingly, the Postal Service and Complainant agree that the "0.5 percent threshold" list of Parent P&DCs to destination SCFs should be provided under the same protective conditions as are referenced above and hereby request that such conditions be extended to this list.

The Postal Service has reviewed the concerns expressed by Complainant in his own motion for reconsideration. All the Postal Service has ever sought in relation to Complainant's request for access to volume data in DFC/USPS-1 is to provide such relevant and necessary data under conditions that did not risk compromise to its legitimate competitive interests. The Postal Service considers that the parties, in this instance have reached an accommodation to each other's interests that should help to advance this litigation to its inevitable conclusion. Accordingly, the Postal Service requests an endorsement of the negotiated solution embodied in this motion.

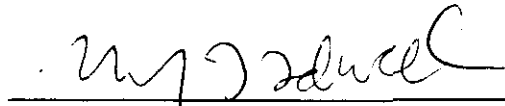
Respectfully submitted,

³ For instance, there may be cases where publication of the volume for a particular origin Parent P&DC/destination-SCF pair is "medium" (within a specified numerical range destination), along with the publication that the figure represents at least 0.5 percent of the volume originating from that P&DC could provide a more empirically refined understanding of the range within which that "medium" figure falls, undermining the protection afforded by the establishment of the ranges in the first place. This concern is exacerbated by the expectation that, outside the context of discovery in this proceeding, the Postal Service is less than perfect in its application of its policies restricting public access to originating volume data. Rather than risk some unforeseen adverse consequence of public disclosure of both the proposed "high, medium, and low" designations and the "0.5 percent threshold" list, the parties have agreed work toward making public only the former, in the spirit of Ruling No. C2001-3/24.

UNITED STATES POSTAL SERVICE

By its attorneys:

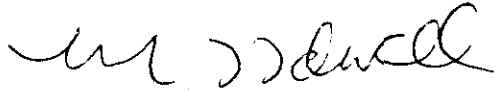
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CERTIFICATE OF SERVICE

I hereby certify that, in accordance with section 12 of the Rules of Practice, I have this day served the foregoing document upon all parties of record in this proceeding.



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